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From:

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To:

Cc:

Subject: RE: MT SITLP MOU Proposed Priority Language

After reviewing the MT statutes, my reviewer and I found that the statute does not mandate the offset for certain types of debts before the SITLP levy. The language in 17-4-105(2) states that "[t]he department *shall, when appropriate*, offset any amount due an agency from a person or entity against any amount, including refunds of taxes, owing the person or entity by an agency" (emphasis added). Because the statute uses the language "shall, when appropriate" it follows that there are situations when it may not be appropriate to offset. The statute allows the possibility to have other debts, such as a federal tax liability, paid before a debt to a state agency. When it is appropriate or not will be part of the negotiations between the Service and Montana in entering into a SITLP agreement and those negotiations will impact any agreement the state would like to enter into with respect to federal refunds. [REDACTED]

[REDACTED] Please let me know if you have any questions or if you would like to discuss this further.

Thanks,